SHRI S.P.M. SYED KHAN: Sir, I would like to know from the non. Minister whether the phenomenon that exists in the Indian bio-tech sector is that the industry is still at the initial stage and is yet to be commercialised. The hon. Minister may also name the areas which have been identified by the Government for commercialisation.

SHRI KAPIL SIBAL: Sir, as far as the bio-tech sector is concerned, there are two aspects to it. Besically, the trends are that if we invest more in R & D, there is a great likelihood of our discovering new molecules, especially, in the health sector and agri-bio-tech sector, which is going to give a great impetus to the entire industry. So, from the lab to the market, there is a long road. We are investing at every stage of that road, at the stage of lab, at the stage of public-private partnerships, at the stage of incubation and at the stage of actually developing that idea from incubation to the market. At every stage, there are investments. But, at the moment, bio-pharma sector and bio-informatic sector are doing extremely well along with bio-services.

**दूरसंचार उपकरणों का निर्माण**

*328.**प्रो. रामबक्श सिंह वर्मा**:†

**श्री लेखराज वचानी**:

क्या संचार और सूचना प्रौद्योगिकी मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि विदेशी कंपनियों ने देश के अंदर दूरसंचार उपकरणों का निमार्ण करने का अनुरोध किया है;

(ख) यदि हां,तो उन कंपनियों का ब्यौरा क्या है; और

(ग) उक्त कंपनियों द्वारा दूरसंचार उपकरणों के निर्माण पर कुल कितनी धनराशि निवेश किये जाने की संभावना है?

**संचार और सूचना प्रौद्योगिकी मंत्री (श्री दयानिधि मारन)**: (क) से (ग) विवरण सभा पटल पर रख दिया गया है।

**विवरण**

(क) से (ग) दूरसंचार उपस्कर के विनिर्माण हेतु सरकार से विशिष्ट अनुमति लेने की

† यह प्रशन सभा से प्रो. रामबक्श सिंह वर्मा पूछा गया

आवश्यकता नहीं है। इसके अतिरिक्त, भारतीय रिजर्व बैंक के जरिए स्वचालित-मार्ग के अंतर्गत शत-प्रतिशत प्रत्यक्ष विदेशी निवेशी की अनुमति भी है।

कतिपय बहु-राष्ट्रीय कंपनियों,जैसे कि एल्कोटेक,नोकिया,एलजी,इरिक्सन आदि भारत में दूरसंचार उपस्कर का विनिर्माण करने के लिए कदम उठा चुकी हैं। इस स्तर पर निवेश की संभावित राशि का अनुमान नहीं लगाया जा सकता है।

**Manufacture of tele-communication equipment**

*328. PROF. R.B.S. VARMA:††
SHRI LEKHRAJ BACHANI

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that foreign companies have requested for manufacturing of tele-communication equipments in the country;

(b) if so, the details of those companies; and

(c) the total amount likely to be invested on the manufacturing of telecommunication equipments by the said companies?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN): (a) to (c)Astatement is laid on the Table of the House.

**Statement**

Manufacture of telecommunications equipment does not require specific permission from the Government. Further, 100 percent Foreign Direct Investment is also allowed under automatic route through Reserve Bank of India.

Some of the multi-national companies like Elcoteq, Nokia, LG, Ericsson, etc. have already initiated steps to manufacture telecom equipment in India. The likely amount of investment can not be estimated at this stage.

PROF. R.B.S. VARMA: Sir, my question was whether the foreign companies have requested for manufacturing of tele-communication equipments in the country. The answer is that manufacture of tele-

† Original notice of the question was received in Hindi.

†† The question was actually asked on the floor of the house by Prof. R.B.S. Varma.

communication equipments does not require specific permission from the Government. The answer is not in consonance and to the point. It is unsatisfactory.

Anyhow, my first supplementary is whether the Government has evolved any system to know about the working of the foreign companies which are involved in the manufacturing of tele-communication equipments and whether the Government would initiate action to help Indian private companies so that they don't become sick due to these foreign companies.

SHRI DAYANIDHI MARAN: Mr. Chairman, Sir, if the hon. Member reads the second part of my answer, I have given reply to his question saying that there are a number of foreign companies which are manufacturing equipments in India. Since there is 100 per cent foreign direct investment for manufacturing, there is no need for anybody to seek permission for manufacturing any specific product. They can start manufacturing. The market is open for both Indian companies and multinational companies to manufacture telecom equipments. Some Indian companies are manufacturing equipments. If the hon. Member wants the list, I can send it to him separately.

PROF. R.B.S. VARMA: Sir, in reply to part (c) of my question, the hon. Minister said, "The likely amount of investment cannot be estimated at this stage". I would like to know at which stage would the Government be able to estimate the amount of foreign direct investment.

In reply to part (b) of my question, the hon. Minister said, "Elcoteq, Nokia, LG. Ericsson, etc. have already initiated steps to manufacture telecom equipments in India". Would the Minister give the names of all the companies which have already initiated steps to manufacture equipments? What are the names of the foreign companies which are in queue, which are likely to initiate their work in the near future?

SHRI DAYANIDHI MARAN: Sir,, as I said in my reply, since all the multinational companies have started manufacturing and they have been allowed direct route, we cannot estimate the exact amount because some of them do contract manufacturing also. As I said, these companies are not waiting in the queue. We have to make a request. In fact, after this Government took charge, we have made efforts to encourage the multinational companies to come and start manufacturing in India. These

steps should have been taken earlier. Right now, we are having a target of 250 million telephones in India by 2007. So we have decided to encourage manufacturing; otherwise, we would have to import all these equipments. Because of the efforts of this Government, Nokia, Elcoteq, Ericsson, LG, etc. have started manufacturing in India.

SHRI LEKHRAJ BACHANI: Mr. Chairman Sir, in the second para of his reply, the hon. Minister has said, "Some of the multinational companies have already initiated steps to manufacture telecom equipments in India". I would like to know what kind of equipments these foreign companies are manufacturing. I would also like to know whether our public sector companies are giving orders to these companies and whether the Government of India has given them license for manufacturing these equipments.

SHRI DAYANIDHI MARAN: Sir, LG is manufacturing mobile handsets in India. Ericsson is manufacturing base stations in India. Elcoteq has yet to commence manufacturing. They would be .starting it from next month in Bangalore. They would manufacture handsets in India. Alcatel is having technology transfer tie-ups with ITI in India.

SHRI LEKHRAJ BACHANI: I wanted to know whether our public sector companies are purchasing equipments from these companies.

MR. CHAIRMAN: Shri Nilotpal Basu.

SHRI NILOTPAL BASU: Sir, I am very happy with this new emphasis of the Government to have investment directly for manufacturers because the cost of service is directly related to the manufacture of equipments in indigenous manner. But, here, the crucial question is whether the same initiative of the Government will be directed towards the joint sector route for attracting investment. For example, we have a huge telecom equipment market wherein, for example, BSNLcan team up with some of the major companies. And, I think, here the Chinese manufacturers are a distinct possibility because of their 1 strength in hardware, and our strength in software. I would like to know whether the Government is initiating any project to have a joint venture between the BSNL on the one hand and the Chinese companies on the other. This is part (a) of my question. Part (b) "is about the ITI proposal that you have mentioned. But the ITI has asked for the setting up of a reserve fund for the development of technology

because that is very,very important. Unless we can upgrade our technology, that is, the indigenous production and manufacture, and the extent to which we can also induce foreign investment in telecom manufacture, I think the full potential of this country cannot be realised.

SHRI DAYANIDHI MARAN: So far as part (a) of your question is concerned, at this moment, BSNL has no such proposal to start manufacturing with any company.

SHRI NILOTPAL BASU: I am not talking of BSNL. I am talking of joint sector..... *(Interruptions)...*

SHRI DAYANIDHI MARAN: Let me complete. And please have the patience to listen to my answer. Already, Sir, the ITI has gone through a rough weather. The previous Government, in fact, wanted to close it down; it had taken steps to offer VRS and so on. After the new Government came in, the hon. Prime Minister has allotted Rs. 1001.53 crores to revive the ITI. In fact, it is part of that effort that we have now gone and tied up for ITI with Alcatel from France and they have already supplied one million lines. The remaining three million lines will be manufactured in India by ITI.

MR. CHAIRMAN: Next Question. Question No, 329.

**Agreements with Iran**

*329. SHRI JESUDASU SEELAM:

DR. T. SUBBARAMI REDDY:†

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government have decided to send a technical team to Iran by end of March to discuss gas pipeline projects;

(b) if so, whether India and Iran have also decided to explore prospects of setting up economic cooperation and a Special Committee has been constituted in this regard;

(c) if so, what were the other issues discussed by the Iranian Foreign Minister during his visit in February to India;

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†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.